NASPERS

Naspers Limited
(Registration Number: 1925/001431/06)
ISIN: ZAE000015889
JSE Share Code: NPN
LSE Share Code: NPSN
("Naspers" or "the group")

INTERIM REPORT

The reviewed results of the Naspers group for the six months ended 30 September 2009 are as follows:

Commentary

Over the past six months the group experienced satisfactory growth. Core headline earnings for the period grew by 36% to R6,48 per N ordinary share. Shareholders are reminded that the board considers core headline earnings an appropriate indicator of the sustainable operating performance of the group, as it adjusts for non-recurring and non-operational items.

Consolidated operating profit before amortisation and other gains/losses increased by 19% to R2,8bn, reflecting a net improvement in operating margins. Growth was driven by the internet and pay-television segments, whilst the print businesses remained under pressure.

Recently the group acquired a 91% interest in BuscaPé, an e-commerce platform operating in Latin America. Several smaller transactions were also concluded.

Looking ahead, we plan to grow the group through a combination of organic expansion from existing businesses, the application of new technologies and the pursuit of some acquisitions within our field of interest and expertise.

FINANCIAL REVIEW

Consolidated revenue growth of 6% to R13,5bn was recorded over the period. Costs were closely managed and, as a consequence, consolidated operating profit before amortisation and other gains/losses expanded by 19% to R2,8bn (2008: R2,4bn).

"Other losses" include a write-down of R330m flowing from the refinancing of the Welkom Yizani black economic empowerment scheme in Media24. The Naspers board decided to assist our 107 000 emerging co-shareholders at a time when print ventures are struggling globally.

Our earnings from equity-accounted associates grew to R872m, mostly via Tencent and Mail.ru.

A profit of R107m arose from the sale of M-Web's sub-Saharan Africa business.

The net result of the above was core headline earnings of R2,4bn – an increase of 37% on the prior period.

Free cash flow was positive at R1,6bn (2008: R759m). Our financial position remains sound, with total consolidated net debt, excluding satellite leases, of R2,6bn. This represents a net debt:equity ratio of 8%.

The group recently extended to March 2013 an offshore revolving credit facility with a syndicate of banks and increased the size of the facility to US$1,6bn. The current drawdown on the facility is US$948m.

SEGMENTAL REVIEW

This review includes consolidated subsidiaries and our economic interest in associated companies, as permitted by recently introduced accounting standards.

Pay television

The pay-television segment proved resilient in tough economic conditions. Revenue increased by 15% to R8bn, largely by growth of 352 000 gross subscribers for the six-month period. Operating margins held despite cost pressures from growing the subscriber base and increased sports content costs. SuperSport is now the largest funder of sport in Africa.

In South Africa the base grew by 238 000 gross to 2 639 000 households. Decoders were subsidised and lower-priced tiers promoted in the emerging market. The *Compact* bouquet delivered growth of 132 000 gross subscribers. Advertising revenues, however, decreased in line with consumer spending.

In the rest of sub-Saharan Africa our base grew by 114 000 gross to 1 030 000 homes. The lower-priced *Compact/Family* bouquets now reach 391 000 homes. Several competitors are active in the market. Operating results from the sub-Saharan business were affected by a strong rand and a devaluation of the naira in Nigeria.

Internet

Overall the internet segment performed well, growing revenues by 29% and operating profit before amortisation and other gains/losses by 49%.

A major profit driver was Tencent, which upped revenues to R2,2bn and operating profit before amortisation and other gains/losses to R1,1bn. Platform statistics include active user accounts up to 485 million and peak simultaneous instant messaging users of 75m. Online gaming revenues were robust.

The other internet activities, in aggregate, reported lower operating profit before amortisation and other gains/losses of R53m – largely the effect of a firm rand, volatility in some currencies like the rouble and zloty, as well as development costs of new products or markets.

The e-commerce operations of Allegro (Eastern Europe) and Ricardo (Western Europe) continued expanding. Gross merchandising value grew 39% in local currency. Both businesses developed their product offerings through organic growth and selective bolt-on acquisitions. A consequence was that operating profit before amortisation and other gains/losses showed a marginal decline.

In Russia Mail.ru expanded its user base to 75m unique visitors. This business is diversifying its revenue streams and continues to perform ahead of expectations.

Print media

Globally print operations felt the full impact of economic headwinds.

The operations in South Africa showed no topline growth due to weak advertising revenues, whilst operating profits before amortisation and other gains/losses were down 27%. In general, the circulation of our magazines and newspapers proved remarkably resilient. The book publishing business suffered due to government spending patterns. Our printing business, Paarl Media, had only marginal revenue growth. There is a focus on cost and efficiencies. Capital expenditure has declined and working capital is being tightly managed.

In Brazil Abril experienced similar trends, with marginal revenue growth and a 42% lower operating profit in local currency. Abril has also implemented tougher cost controls, the benefits of which will follow.

Technology

Generally, orders from existing conditional access clients held up. However, new sales slowed and client projects were slow, with India and Africa exceptions. The consolidation of technology assets reduced costs. As a consequence, whilst revenues were down, operating performance improved.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Our financial results for the six months ended 30 September 2009 have been prepared in accordance with IAS 34 "Interim Financial Reporting", the requirements of the South African Companies Act, No 61 of 1973, and in compliance with the Listings

Requirements of the JSE Limited. Except as noted below, the accounting policies used for the interim results are consistent with those applied in the previous annual financial statements and IFRS. These results have been reviewed by the company's auditor, PricewaterhouseCoopers Inc., whose unqualified report is available for inspection at the registered office of the company.

During the prior year, we finalised the purchase price allocation for the acquisition of Tradus plc. The effect on the September 2008 results was as follows: goodwill decreased by R3,01bn, intangible assets increased by R3,45bn and deferred tax liabilities increased by R638m. Amortisation of intangible assets for the six months increased by R235m gross of deferred tax of R41m. Prior period information was restated accordingly.

The group recorded a provisional amount of R2,57bn profit from the sale of NetMed in September 2008. The final profit arising from the sale amounted to R2,97bn and the group restated the income statement for the period ended 30 September 2008 accordingly, with no effect on the statement of financial position.

The group adopted the following new standards, amendments and circulars for the period ended 30 September 2009:

The revised IAS 1 "Presentation of Financial Statements" was issued, requiring certain changes to existing disclosures as well as the introduction of the "Statement of Comprehensive Income". These changes had no effect on the financial position or results of the group.

IFRS 8 "Operating Segments" replaced IAS 14 "Segment Reporting". Segment information is now presented on the same basis as for internal management reporting purposes. The only significant change is that the results of our investments in associates are now proportionately consolidated for segmental reporting, with Tencent as a separate reportable segment. The amendment to IFRS 8, which allows an entity not to disclose segmental assets, if not reviewed by management, has been early adopted. Comparative information was restated accordingly.

IAS 23 "Borrowing Cost (Revised)" requires entities to capitalise qualifying borrowing costs. This amendment had no material effect on the group.

Circular 3/2009 "Headline Earnings" was issued by the South African Institute of Chartered Accountants. The circular was changed to incorporate the latest amendments and revisions to IFRS. This circular is effective for the period under review, but had no material effect on the group.

ACQUISITIONS

During September the group acquired 91% of Brazilian e-commerce group BuscaPé.com Inc. for approximately R2,6bn (US$342m), financed from existing facilities. The preliminary purchase price allocation: tangible assets R157m, intangible assets R41m, liabilities R227m and the balance to goodwill.

In August the group finalised a public tender offer to acquire 83% of Bankier.pl in Poland for cash of R145m (PLN53m). The preliminary purchase price allocation: tangible assets R44m, intangible assets R2m, liabilities R16m and the balance to goodwill.

The group made some smaller acquisitions for a combined cost of R245m. Revenues and profits from all acquisitions closed during the period were immaterial to the consolidated results.

SUBSEQUENT EVENTS

During October 2009 the group acquired 51% of Korbitec (Proprietary) Limited for R158m. Korbitec is a South African company who develops and commercialises software, with a focus on the e-commerce property sector.

On behalf of the board

Ton Vosloo
Chairman

Koos Bekker
Managing director

Cape Town
26 November 2009

Segmental Review

	Revenue Six months ended 30 September			Ebitda Six months ended 30 September			Operating profit before amortisation and other gains/(losses) Six months ended 30 September		
	2009 R'm	2008 R'm	% Change	**2009 R'm**	2008 R'm	% Change	**2009 R'm**	2008 R'm	% Change
Pay television	**8 019**	6 985	15	**2 911**	2 309	26	**2 694**	2 099	28
Internet	**4 061**	3 144	29	**1 255**	865	45	**1 098**	735	49
– Tencent	**2 175**	1 199	81	**1 118**	628	78	**1 045**	584	79
– Other internet	**1 886**	1 945	(3)	**137**	237	(42)	**53**	151	(65)
Print	**4 836**	5 001	(3)	**472**	663	(29)	**327**	484	(32)
Technology	**605**	725	(17)	**11**	(24)	+100	**(11)**	(49)	78
Economic interest	**17 521**	15 855	11	**4 649**	3 813	22	**4 108**	3 269	26
Corporate services	**–**	–	–	**(110)**	(103)	–	**(113)**	(104)	–
Less: Associates	**(4 066)**	(3 203)	27	**(1 315)**	(915)	44	**(1 196)**	(803)	49
Consolidated	**13 455**	12 652	6	**3 224**	2 795	15	**2 799**	2 362	19

Note: The segmental review includes our share of our associates' results.

ADR programme

The Bank of New York Mellon maintains a GlobalBuyDIRECT™ plan for Naspers Limited. For additional information, please visit the Bank of New York Mellon's web site at www.globalbuydirect.com or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to: The Bank of New York Mellon, Shareholder Relations Department – GlobalBuyDIRECT™, Church Street Station, P O Box 11258, New York, NY 10286-1258, USA.

Important information

The report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These include factors that could adversely affect our businesses and financial performance. We are not under any obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

Consolidated Income Statement

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Revenue	**13 455**	12 652	26 690
Cost of providing services and sale of goods	**(6 893)**	(6 703)	(13 531)
Selling, general and administration expenses	**(4 343)**	(4 269)	(9 289)
Other losses – net	**(293)**	(17)	(87)
Operating profit	**1 926**	1 663	3 783
Interest received	**195**	321	572
Interest paid	**(345)**	(454)	(878)
Other finance income – net	**179**	38	3
Share of equity-accounted results	**872**	405	1 473
Profit on sale of investments	**107**	34	36
Impairment of equity-accounted investments	**–**	(216)	(214)
Profit before taxation	**2 934**	1 791	4 775
Taxation	**(1 051)**	(796)	(1 436)
Profit after taxation	**1 883**	995	3 339
Profit from discontinued operations	**–**	127	127
Profit arising on discontinuance of operations	**–**	2 965	2 965
Profit for the period	**1 883**	4 087	6 431
Attributable to:			
Naspers shareholders	**1 579**	3 763	5 761
Minority shareholders	**304**	324	670
	1 883	4 087	6 431
Core headline earnings for the period (R'm)	**2 414**	1 763	4 373
Core headline earnings per N ordinary share (cents)	**648**	476	1 179
Fully diluted core headline earnings per N ordinary share (cents)	**634**	470	1 169
Headline earnings for the period (R'm)	**1 466**	1 078	3 065
Headline earnings per N ordinary share (cents)	**394**	291	826
Fully diluted headline earnings per N ordinary share (cents)	**385**	287	819
Earnings per N ordinary share (cents)	**424**	1 015	1 553
Fully diluted earnings per N ordinary share (cents)	**415**	1 002	1 540
Net number of shares issued ('000)			
– At period-end	**373 451**	371 449	372 451
– Weighted average for the period	**372 451**	370 558	371 004
– Fully diluted weighted average	**380 852**	375 517	374 108

Consolidated Statement of Comprehensive Income

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Profit for the period	**1 883**	4 087	6 431
Total other comprehensive income, net of tax for the period	**(1 817)**	(921)	(3 871)
Translation of foreign operations	**(1 318)**	(826)	(3 544)
Cash flow hedges	**(654)**	(97)	(347)
Share of associates' other comprehensive income	**–**	–	(6)
Tax on other comprehensive income	**155**	2	26
Total comprehensive income for the period	**66**	3 166	2 560
Attributable to:			
Naspers shareholders	**(142)**	2 859	1 900
Minority shareholders	**208**	307	660
	66	3 166	2 560

Condensed Consolidated Statement of Changes in Equity

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Balance at beginning of period	**35 217**	33 147	33 147
Changes in share capital and premium			
Movement in treasury shares	**(435)**	(9)	(405)
Share capital and premium issued	**–**	46	123
Changes in reserves			
Total comprehensive income for the period	**(142)**	2 859	1 900
Movement in share-based compensation reserve	**247**	(17)	445
Movement in business combination reserve	**(260)**	575	548
Share of associates' reserve movements	**–**	–	(252)
Direct retained earnings movement	**(11)**	(1)	(9)
Dividends paid to Naspers shareholders	**(773)**	(669)	(669)
Changes in minority interest			
Total comprehensive income for the period	**208**	307	660
Dividends paid to minorities	**(249)**	(222)	(307)
Movement in minority interest in reserves	**(43)**	(26)	36
Balance at end of period	**33 759**	35 990	35 217
Comprising:			
Share capital and premium	**14 639**	15 393	15 074
Share-based compensation reserve	**1 174**	465	927
Business combination reserve	**71**	609	331
Hedging reserve	**(480)**	107	(116)
Valuation reserve	**1 844**	1 849	1 843
Foreign currency translation reserve	**(188)**	3 898	1 171
Retained earnings	**15 157**	12 371	14 361
Minority interest	**1 542**	1 298	1 626
Total	**33 759**	35 990	35 217

Condensed Consolidated Statement of Financial Position

	30 September 2009 Reviewed R'm	30 September 2008 Reviewed R'm	31 March 2009 Audited R'm
ASSETS			
Non-current assets	**41 198**	40 640	40 873
Property, plant and equipment	**4 616**	4 529	4 754
Goodwill and other intangible assets	**22 179**	22 757	20 916
Investments and loans	**13 757**	12 773	14 276
Deferred taxation	**646**	482	871
Other non-current assets	**–**	99	56
Current assets	**12 684**	12 601	13 001
Assets classified as held for sale	**21**	537	686
TOTAL ASSETS	**53 903**	53 778	54 560
EQUITY AND LIABILITIES			
Share capital and reserves	**32 217**	34 692	33 591
Minority shareholders' interest	**1 542**	1 298	1 626
Total equity	**33 759**	35 990	35 217
Non-current liabilities	**10 364**	8 542	8 991
Capitalised finance leases	**542**	924	865
Liabilities – interest-bearing	**7 504**	5 640	5 934
– non-interest-bearing	**50**	101	118
Post-retirement medical liability	**169**	149	155
Derivatives	**975**	333	543
Deferred taxation	**1 124**	1 395	1 376
Current liabilities	**9 780**	9 057	10 088
Liabilities classified as held for sale	**–**	189	264
TOTAL EQUITY AND LIABILITIES	**53 903**	53 778	54 560
Net asset value per N ordinary share (cents)	**8 627**	9 340	9 019

Reconciliation of Ebitda to Operating Profit

	Six months ended 30 September 2009 R'm	2008 R'm
Ebitda	**3 224**	2 795
Depreciation	**(425)**	(433)
Operating profit before amortisation and other losses	**2 799**	2 362
Amortisation	**(580)**	(682)
Other losses	**(293)**	(17)
Operating profit	**1 926**	1 663

Note: For a reconciliation of operating profit to profit before taxation, refer to the "Consolidated Income Statement."

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Cash flow from operating activities	**2 254**	1 449	3 913
Cash flow (utilised in)/generated from investment activities	**(3 012)**	3 313	1 217
Cash flow from/(utilised in) financing activities	**992**	(6 259)	(6 839)
Net movement in cash and cash equivalents	**234**	(1 497)	(1 709)
Foreign exchange translation adjustments	**(520)**	(64)	187
Cash and cash equivalents at beginning of period	**5 803**	7 325	7 325
Cash and cash equivalents at end of period	**5 517**	5 764	5 803
Included in:			
– Cash and cash equivalents	**5 517**	5 728	5 724
– Assets classified as held for sale	**–**	36	79
	5 517	5 764	5 803

Calculation of Headline and Core Headline Earnings

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Net profit attributable to shareholders	**1 579**	3 763	5 761
Adjusted for:			
– insurance proceeds	**(175)**	–	(113)
– impairment of goodwill and other assets	**153**	19	139
– (profit)/loss on sale of assets	**(15)**	(20)	27
– discontinuance of operations	**–**	(2 965)	(2 965)
– (profit)/loss on sale of investments	**(72)**	46	(10)
– impairment of equity-accounted investments	**–**	216	214
	1 470	1 059	3 053
Total tax effects of adjustments	**(4)**	9	5
Total minority interest of adjustments	**–**	10	7
Headline earnings	**1 466**	1 078	3 065
Discontinued operations	**–**	(121)	(129)
Headline earnings from continuing operations	**1 466**	957	2 936
Headline earnings	**1 466**	1 078	3 065
Adjusted for:			
– profit from discontinued operations	**–**	(121)	(129)
– treasury-settled share scheme charges	**134**	124	258
– reversal/(creation) of deferred tax assets	**132**	–	(58)
– amortisation of intangible assets	**436**	557	958
– refinancing of the Welkom Yizani empowerment scheme	**330**	–	–
– fair value adjustments and currency translation differences	**(84)**	125	279
Core headline earnings	**2 414**	1 763	4 373

Supplementary Information

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Depreciation of property, plant and quipment	**425**	433	910
Amortisation of intangible assets	**580**	682	1 246
Interest on finance leases	**38**	50	109
Other losses – net	**(293)**	(17)	(87)
– profit/(loss) on sale of property, plant and equipment	**14**	3	(25)
– impairments of goodwill and intangible assets	**(3)**	–	(18)
– insurance proceeds	**175**	–	113
– impairments of tangible assets	**(150)**	(19)	(143)
– refinancing of the Welkom Yizani empowerment scheme	**(330)**	–	–
– fair value adjustment on shareholders' liabilities	**1**	(1)	(14)
Other finance income – net	**179**	38	3
– net foreign exchange differences and fair value adjustments on derivatives	**36**	(153)	(374)
– preference dividends received	**143**	191	377
Investments and loans	**13 757**	12 773	14 276
– listed investments	**3 494**	2 701	3 591
– unlisted investments	**10 263**	10 072	10 685
Market value of listed investments	**77 427**	37 527	44 491
Directors' valuation of unlisted investments	**10 263**	10 072	10 685
Commitments	**15 842**	10 098	14 205
– capital expenditure	**643**	357	359
– programme and film rights	**6 030**	6 791	8 063
– network and other services commitments	**573**	315	480
– transponder leases	**7 732**	1 872	4 290
– operating lease commitments	**576**	664	701
– decoder commitments	**288**	99	312
Analysis of equity-accounted results			
Tencent	**936**	504	1 217
Mail.ru	**54**	38	87
Abril	**8**	71	414
Other	**(8)**	(29)	(41)
Contribution to core headline earnings	**990**	584	1 677
Intangible amortisation	**(83)**	(88)	(179)
Contribution to headline earnings	**907**	496	1 498
Impairment of assets	**–**	(10)	–
Sale of assets	**–**	–	(17)
Sale of investments	**(35)**	(81)	(8)
Share of equity-accounted results	**872**	405	1 473

Directors
T Vosloo (chairman), J P Bekker (managing director), F-A du Plessis, G J Gerwel, R C C Jafta, L N Jonker, D Meyer, S J Z Pacak T M F Phaswana, L P Retief, B J van der Ross, N P van Heerden J J M van Zyl, H S S Willemse

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